
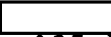

CONFIDENTIAL**January 27, 1967**

25X1


Gentlemen:

We are enclosing herewith the original and one copy of the executed subject contract. It is agreed that the scope of work will also be in accordance with Development Objectives dated August 2, 1966.

Please note that the period of performance for Phase I shall be based on date of contract signature at 
 Therefore, Phase I will start January 27, 1967 and will be completed May 26, 1967.

25X1

25X1

25X1

25X1

:mm

Enc.


**Contract Administrator
Photogrammetric Contracts Section**

cc: Ed D.

Declass Review by NGA.

Group 1
Exclude from automatic
downgrading and
declassification

CONFIDENTIAL

Approved For Release 2004/11/30 : CIA-RDP78B04770A000700010024-9

NPIC Reg. Office

NEGOTIATED CONTRACT (SUPPLIES AND SERVICES)	
REQUISITION OR OTHER PURCHASE AUTHORITY	CONTRACT/TASK ORDER NO. JAN 1967
ISSUING OFFICE	
CONTRACT FOR Development of Advanced Anamorphic Eyepieces for use with the High Power Stereoviewer	AMOUNT
APPROPRIATION AND OTHER ADMINISTRATIVE DATA	
<p style="text-align: center;">29</p> <p style="text-align: center;">Certified copy of Contract No. 1</p> <p style="text-align: center;">(Classification of this contract is to be maintained as follows: CONFIDENTIAL)</p> <p style="text-align: center;">U. S. GOVERNMENT PRINTING OFFICE: 1965</p>	
<p>This negotiated contract is entered into pursuant to statutory authority and any required determination and findings have been made.</p> <p>This contract is entered into, by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and above named Contractor who is an <input type="checkbox"/> Individual, <input type="checkbox"/> Partnership, <input type="checkbox"/> Corporation, incorporated in the State of _____, hereinafter called the Contractor.</p> <p>The parties hereto agree that the Contractor shall furnish the facilities and deliver all supplies and perform all the services set forth in the attached Schedule, or Task Orders, issued hereunder, for the consideration stated therein.</p> <p>The rights and obligations of the parties to this contract shall be subject to and governed by the terms and conditions on the reverse hereof, attached Schedule and General Provisions. To the extent of any inconsistency between the Schedule and General Provisions, and any specifications or other provisions which are made a part of the contract by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control. (Sections A & F attached)</p> <p>The Contractor represents (a) that it <input type="checkbox"/> is, <input type="checkbox"/> is not, a small business concern. For this purpose, a small business concern is a concern that (i) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (ii) is certified as a small business concern by the Small Business Administration. (See Code of Federal Reg., Title 13, Ch. II, Part 103, 21 Fed. Reg. 9708, which contains the detailed definition and related procedures.), (b) that it <input type="checkbox"/> has, <input type="checkbox"/> has not, previously been denied a Small Business Certificate by the Small Business Administration, and (c) if offeror is a regular dealer, it also represents that all supplies to be furnished hereunder <input type="checkbox"/> will, <input type="checkbox"/> will not be manufactured or produced in the United States or its territories or possessions by a small business manufacturer or producer; and, further, makes the representations regarding contingent or other fees, set forth on the reverse hereof.</p>	
IN WITNESS WHEREOF, the parties hereto have executed this contract as of 3 January 1967	
SIGNATURES (Type or print all names under all signatures)	
CONTRACTOR	THE UNITED STATES OF AMERICA
BY	BY
TITLE	CONTRACTING OFFICER
WITNESSES (In case of corporation, witnesses not required, but certificate on _____)	

NOTICE

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

GROUP I
CONFIDENTIAL Excluded From Automatic
Downgrading And

SECRET

(When Filled In)

SECURITY NOTE

This contract and correspondence relating thereto must be handled in strict accordance with classified handling and storage instructions furnished the contractor under separate cover by the procuring activity.

NOTE: Contractor, if a corporation, should cause the following certificate to be executed under its corporate seal, provided that the same officer shall not execute both the contract and the certificate.

CERTIFICATE

I, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____, who signed this contract on behalf of the Contractor, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SIGNATURE)

(Corporate Seal)

CONTRACTOR'S STATEMENT OF CONTINGENT OR OTHER FEES

The Contractor represents: (a) that he ☐ has, ☐ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the Contractor) to solicit or secure this contract; and (b) that he ☐ has, ☐ has not, paid or agreed to pay to any company or person (other than a full-time bona fide employee working solely for the Contractor) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract, and agrees to furnish information relating thereto as requested by the Contracting Officer. (Note: For interpretation of the representation, including the term "bona fide employee," see General Services Administration Regulations, Title 44, Secs. 150.7 and 150.5(d), Fed. Reg. Dec. 31, 1952, Vol. 17, No. 253.)

TERMS AND CONDITIONS

1. SELLER'S INVOICES -- Invoices shall be prepared and submitted in triplicate unless otherwise specified. Invoices shall contain the following information: Contract number, Order number (if any), Item number; contract description of supplies or services, sizes, quantities, unit prices, and extended totals. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading. The Contractor or his authorized representative will sign ONLY the original (ribbon typed copy, if typed). When the invoice is signed or receipted in the name of a company or corporation the name of the person signing, as well as the capacity in which he signs, must appear. For example: "John Doe Company, by John Smith, Secretary," "Treasurer," or as the case may be.

2. LABOR INFORMATION -- Attention is invited to the possibility that wage determinations may have been made under the Walsh-Healey Public Contracts Act providing minimum wages for employees engaged in the manufacture for sale to the Government of the supplies covered by this contract. Information in this connection, as well as general information as to the requirements of the act concerning overtime payment, child labor, safety and health provisions, etc. may be obtained from Wage and Hour and Public Contracts Division, Department of Labor, Washington 25, D. C.

3. DISCOUNTS: In connection with any discount offered, time will be computed from date of delivery of the supplies to carrier when delivery and acceptance are at point of origin or from date of delivery at destination or port of embarkation when delivery and acceptance are at either of those points, or from date correct invoice or voucher (properly certified by the Contractor) is received in the office specified by the Government if the latter date is later than the date of delivery.

4. SAMPLES: Samples of items, when required, must be submitted within the time specified and at no expense to the Government. If not destroyed by testing, they will be returned at Contractor's request and expense, unless otherwise specified in the Schedule.

5. GOVERNMENT-FURNISHED PROPERTY -- No material, labor, or facilities will be furnished by the Government unless otherwise provided in the Schedule.

6. AGENTS -- Contracts signed by an agent must be accompanied by evidence of his authority.

7. ALTERATIONS -- Any alterations in this contract made by the Contractor must be initialed by both the Contractor and Contracting Officer.

8. MISTAKES -- Contractors are expected to examine the drawings, specifications, circulars, schedule and all instructions pertaining to the supplies or services. Failure to do so will be at the Contractor's risk. In case of mistake in extension of price the unit price will govern.

SECRET

CONFIDENTIAL

(SCHEDULE)

PAGE 1 OF 5 PAGES

CONTRACT/TASK ORDER NO.

SCOPE OF WORK:

The Contractor shall design and fabricate a pair of prototype Advanced Anamorphic Eyepieces in accordance with the Contractor's Proposal No. [REDACTED] dated September 1966 which is hereby incorporated by reference and made a part of this contract.

PERFORMANCE OF CONTRACT:

This contract shall be performed in two phases as follows:

Phase I

Design Analyses Study

Phase II

Final Design and Fabrication

PERIOD OF PERFORMANCE:Phase I

The period of performance for Phase I shall be 3 January 1967 to 3 May 1967.

Thereafter, a further period of thirty (30) days shall be required by the Government for evaluation prior to Design Approval.

Phase II

No work may be performed on any aspect of Phase II prior to receipt of written approval by the Contracting Officer of the Design Analyses and notice to proceed with Phase II. All work shall be completed within five (5) months from the date such approval is received by the Contractor.

DELIVERABLE ITEMS:Phase I

1. Interim Report
2. Final Report

Phase II

1. One (1) pair prototype Advanced Anamorphic Eyepieces

NOTICE

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CONFIDENTIAL

GROUP 1
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AND DECLASSIFICATION

Approved For Release 2004/11/30 : CIA-RDP78B04770A000700010024-9

(12-41)

(SCHEDULE)

PAGE 2 OF 5 PAGES

2. Operational Manuals (5 copies)
3. Monthly Reports to include:
 - a. Current status of work.
 - b. Problem areas encountered.
 - c. Projected work for next monthly period.
 - d. Status of fund expenditures to end of monthly period.
 - e. Documentation of any verbal commitments and/or agreements with the Technical Representative of the Contracting Officer during the reporting period.

DELIVERY:

1. Two (2) copies of all reports required under this contract shall be forwarded directly to the Contracting Officer.
2. Three (3) copies of all reports required under this contract shall be forwarded to the Technical Representative of the Contracting Officer at the following address:

Post Office Box 8031
Southwest Station
Washington, D. C. 20024

In the event any item under this contract is personally delivered to the Technical Representative of the Contracting Officer, a signed receipt, in duplicate, must be obtained from the said representative and one copy attached to any invoice submitted for reimbursement for such items. Failure to do so will result in suspension of payment, since the Disbursing Officer is prohibited from making payment without evidence of delivery.

CONSIGNEE ADDRESS:CHANGE OF SCOPE:

Whenever a redirection of effort is required not within the scope originally contemplated, the Contractor may appeal to the Contracting Officer for a written

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(SCHEDULE)

PAGE 3 OF 5 PAGES

CONTRACT/TASK ORDER NO.

order to perform and a statement that an equitable adjustment in price will be made. Failure to appeal to the Contracting Officer before embarking upon the changed work will not afford protection of the right to additional compensation for such work.

CONTRACT FEE:

The minimum fee for performance of each phase of this contract shall be six percent (6%).

The amount of the fee as set forth in the contract is included solely for funding purposes. The final fee shall be calculated on the Contract Estimated Cost for each phase as set forth above and shall be based upon a determination, to be made within thirty (30) days from the date of completion of each phase of this contract, by the Contracting Officer, as to the quality of performance of the Contractor for the requirements of the contract. The final fee for each phase shall be calculated based upon the performance evaluation as follows:

Adequate -----	6%
Good -----	8%
Excellent -----	11%

A recognition of cost performance as evidenced by final total audited costs as compared to Target Costs stipulated in the Contract shall be made in accordance with the following schedule:

When Costs are Below Target

From Target Cost to 2%	BASE FEE
Over 2% to 4%	
Adequate - Base plus	.75%
Good - Base plus	1.50%
Excellent - Base plus	2.50%

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(SCHEDULE)		CONTRACT/TASK ORDER NO.	PAGE 4 OF 5 PAGES
Over 4% to 6%	Adequate - Base plus Good - Base plus Excellent - Base plus	1.00% 1.75% 2.75%	
Over 6% to 8%	Adequate - Base plus Good - Base plus Excellent - Base plus	1.50% 2.00% 3.00%	
Over 8% to 10%	Adequate - Base plus Good - Base plus Excellent - Base plus	2.00% 2.50% 3.50%	
Over 10% to 12%	Adequate - Base plus Good - Base plus Excellent - Base plus	2.50% 3.00% 4.00%	
Over 12% to 14%	Adequate - Base plus Good - Base plus Excellent - Base plus	3.00% 3.50% 4.50%	
Over 14% to 16%	Adequate - Base plus Good - Base plus Excellent - Base plus	3.50% 4.00% 5.00%	
<u>When Costs are Over Target</u>			
From Target Cost to 2%		BASE FEE	
Over 2% to 5%	Adequate - Base minus Good - Base Fee Excellent - Base plus	1.00% 1.00%	
Over 5% to 10%	Adequate - Base minus Good - Base minus Excellent - Base minus	1.50% 1.25% 1.00%	
Over 10% to 15%	Adequate - Base minus Good - Base minus Excellent - Base minus	2.00% 1.50% 1.25%	
Over 15% to 20%	Adequate - Base minus Good - Base minus Excellent - Base minus	2.50% 2.00% 1.50%	
<u>SECURITY:</u>			
The work to be performed hereunder is UNCLASSIFIED.			
The association of the sponsor with the reports and equipment being procured			

NOTICE

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CONFIDENTIAL

 GROUP 1
 EXCLUDED FROM AUTOMATIC DOWNGRADING
 AND DECLASSIFICATION

(SCHEDULE)

PAGE 5 OF 5 PAGES

CONTRACT/TASK ORDER NO.

hereunder is classified CONFIDENTIAL. This classified information shall be divulged only on a need-to-know basis and then only to those who have been authorized in writing by this Government component to have access to classified information. Correspondence originated by the Contractor and/or data to be submitted hereunder, the contents of which contain classified information, or refer to the name and/or address of the Contracting Officer shall be stamped by you with the classification of CONFIDENTIAL.

NOTICE

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

Approved For Release 2004/11/30 : CIA-RDP78B04770A000700010074-9

~~CONFIDENTIAL~~ NPIC/Reg. Office

NEGOTIATED CONTRACT (SUPPLIES AND SERVICES)	
REQUISITION OR OTHER PURCHASE AUTHORITY	CONTRACT/TASK ORDER NO.
<div style="text-align: center; border: 1px solid black; width: 80%; margin: 0 auto; padding: 5px;"> ISSUING OFFICE </div>	
CONTRACT FOR Development of Advanced Anamorphic Eyepieces for use with the High Power Stereoviewer	
APPROPRIATION AND OTHER ADMINISTRATIVE DATA <div style="text-align: center; margin-top: 20px;"> <i>C9</i> Continued under contract No. 1 Certification of the assigned NO rating on this contract is as follows: 1. The contractor is a small business concern. 2. The contractor is a regular dealer. 3. The contractor is a manufacturer or producer. 4. The contractor is a regular dealer. 5. The contractor is a manufacturer or producer. </div>	
<p>This negotiated contract is entered into pursuant to statutory authority and any required determination and findings have been made.</p> <p>This contract is entered into, by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and above named Contractor who is an <input type="checkbox"/> Individual, <input type="checkbox"/> Partnership, <input type="checkbox"/> Corporation, incorporated in the State of _____, hereinafter called the Contractor.</p> <p>The parties hereto agree that the Contractor shall furnish the facilities and deliver all supplies and perform all the services set forth in the attached Schedule, or Task Orders, issued hereunder, for the consideration stated therein.</p> <p>The rights and obligations of the parties to this contract shall be subject to and governed by the terms and conditions on the reverse hereof, attached Schedule and General Provisions. To the extent of any inconsistency between the Schedule and General Provisions, and any specifications or other provisions which are made a part of the contract by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control. (Sections A & F attached)</p> <p>The Contractor represents (a) that it <input type="checkbox"/> is, <input type="checkbox"/> is not, a small business concern. For this purpose, a small business concern is a concern that (i) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (ii) is certified as a small business concern by the Small Business Administration. (See Code of Federal Reg., Title 13, Ch. II, Part 103, 21 Fed. Reg. 9708, which contains the detailed definition and related procedures.), (b) that it <input type="checkbox"/> has, <input type="checkbox"/> has not, previously been denied a Small Business Certificate by the Small Business Administration, and (c) if offeror is a regular dealer, it also represents that all supplies to be furnished hereunder <input type="checkbox"/> will, <input type="checkbox"/> will not be manufactured or produced in the United States or its territories or possessions by a small business manufacturer or producer; and, further, makes the representations regarding contingent or other fees, set forth on the reverse hereof.</p> <p>IN WITNESS WHEREOF, the parties hereto have executed this contract as of <u>3 January</u> 19 <u>67</u>.</p>	
SIGNATURES (Type or print all names under all signatures)	
BY _____	THE UNITED STATES OF AMERICA
TITLE _____	CONTRACTING OFFICER
WITNESSES (In case of corporation, witnesses not required, but certificate on the reverse must be completed.)	

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CONFIDENTIAL

GROUP I
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Downgrading And
Declassification

SECRET
(When Filled In)

(12)

SECURITY NOTE

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NOTE: Contractor, if a corporation, should cause the following certificate to be executed under its corporate seal, provided that the same officer shall not execute both the contract and the certificate.

CERTIFICATE

I, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____, who signed this contract on behalf of the Contractor, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SIGNATURE) (Corporate Seal)

CONTRACTOR'S STATEMENT OF CONTINGENT OR OTHER FEES

The Contractor represents: (a) that he ☐ has, ☐ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the Contractor) to solicit or secure this contract; and (b) that he ☐ has, ☐ has not, paid or agreed to pay to any company or person (other than a full-time bona fide employee working solely for the Contractor) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract, and agrees to furnish information relating thereto as requested by the Contracting Officer. (Note: For interpretation of the representation, including the term "bona fide employee," see General Services Administration Regulations, Title 44, Secs. 150.7 and 150.5(d), Fed. Reg. Dec. 31, 1952, Vol. 17, No. 253.)

TERMS AND CONDITIONS

1. SELLER'S INVOICES -- Invoices shall be prepared and submitted in triplicate unless otherwise specified. Invoices shall contain the following information: Contract number, Order number (if any), Item number; contract description of supplies or services, sizes, quantities, unit prices, and extended totals. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading. The Contractor or his authorized representative will sign ONLY the original (ribbon typed copy, if typed). When the invoice is signed or receipted in the name of a company or corporation the name of the person signing, as well as the capacity in which he signs, must appear. For example: "John Doe Company, by John Smith, Secretary," "Treasurer," or as the case may be.

2. LABOR INFORMATION -- Attention is invited to the possibility that wage determinations may have been made under the Walsh-Healey Public Contracts Act providing minimum wages for employees engaged in the manufacture for sale to the Government of the supplies covered by this contract. Information in this connection, as well as general information as to the requirements of the act concerning overtime payment, child labor, safety and health provisions, etc. may be obtained from Wage and Hour and Public Contracts Division, Department of Labor, Washington 25, D. C.

3. DISCOUNTS: In connection with any discount offered, time will be computed from date of delivery of the supplies to carrier when delivery and acceptance are at point of origin or from date of delivery at destination or port of embarkation when delivery and acceptance are at either of those points, or from date correct invoice or voucher (properly certified by the Contractor) is received in the office specified by the Government if the latter date is later than the date of delivery.

4. SAMPLES: Samples of items, when required, must be submitted within the time specified and at no expense to the Government. If not destroyed by testing, they will be returned at Contractor's request and expense, unless otherwise specified in the Schedule.

5. GOVERNMENT-FURNISHED PROPERTY -- No material, labor, or facilities will be furnished by the Government unless otherwise provided in the Schedule.

6. AGENTS -- Contracts signed by an agent must be accompanied by evidence of his authority.

7. ALTERATIONS -- Any alterations in this contract made by the Contractor must be initialed by both the Contractor and Contracting Officer.

8. MISTAKES -- Contractors are expected to examine the drawings, specifications, circulars, schedule and all instructions pertaining to the supplies or services. Failure to do so will be at the Contractor's risk. In case of mistake in extension of price the unit price will govern.

SECRET

(SCHEDULE)

CONFIDENTIAL
CONTRACT/TASK ORDER NO. [REDACTED]

PAGE 1 OF 5 PAGES

SCOPE OF WORK:

The Contractor shall design and fabricate a pair of prototype Advanced Anamorphic Eyepieces in accordance with the Contractor's Proposal No. [REDACTED] dated September 1966 which is hereby incorporated by reference and made a part of this contract.

PERFORMANCE OF CONTRACT:

This contract shall be performed in two phases as follows:

Phase I

Design Analyses Study

Phase II

Final Design and Fabrication

PERIOD OF PERFORMANCE:Phase I

The period of performance for Phase I shall be 3 January 1967 to 3 May 1967.

Thereafter, a further period of thirty (30) days shall be required by the Government for evaluation prior to Design Approval.

Phase II

No work may be performed on any aspect of Phase II prior to receipt of written approval by the Contracting Officer of the Design Analyses and notice to proceed with Phase II. All work shall be completed within five (5) months from the date such approval is received by the Contractor.

DELIVERABLE ITEMS:Phase I

1. Interim Report
2. Final Report

Phase II

1. One (1) pair prototype Advanced Anamorphic Eyepieces

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(SCHEDULE)	<div style="text-align: right;">PAGE 2 OF 5 PAGES</div> <div style="border: 1px solid black; padding: 2px;">CONTRACT/TASK ORDER NO.</div>
<p>2. Operational Manuals (5 copies)</p> <p>3. Monthly Reports to include:</p> <ul style="list-style-type: none"> a. Current status of work. b. Problem areas encountered. c. Projected work for next monthly period. d. Status of fund expenditures to end of monthly period. e. Documentation of any verbal commitments and/or agreements with the Technical Representative of the Contracting Officer during the reporting period. <p><u>DELIVERY:</u></p> <ul style="list-style-type: none"> 1. Two (2) copies of all reports required under this contract shall be forwarded directly to the Contracting Officer. 2. Three (3) copies of all reports required under this contract shall be forwarded to the Technical Representative of the Contracting Officer at the following address: <div style="border: 1px solid black; width: 150px; height: 15px; margin: 5px 0;"></div> <p>Post Office Box 8031 Southwest Station Washington, D. C. 20024</p> <p>In the event any item under this contract is personally delivered to the Technical Representative of the Contracting Officer, a signed receipt, in duplicate, must be obtained from the said representative and one copy attached to any invoice submitted for reimbursement for such items. Failure to do so will result in suspension of payment, since the Disbursing Officer is prohibited from making payment without evidence of delivery.</p> <p><u>CONSIGNEE ADDRESS:</u></p> <div style="border: 1px solid black; width: 250px; height: 50px; margin: 5px 0;"></div> <p><u>CHANGE OF SCOPE:</u></p> <p>Whenever a redirection of effort is required not within the scope originally contemplated, the Contractor may appeal to the Contracting Officer for a written</p>	
<div style="border: 1px solid black; width: 200px; height: 30px;"></div>	

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(SCHEDULE)

PAGE 3 OF 5 PAGES

CONTRACT/TASK ORDER NO.

order to perform and a statement that an equitable adjustment in price will be made. Failure to appeal to the Contracting Officer before embarking upon the changed work will not afford protection of the right to additional compensation for such work.

CONTRACT FEE:

The minimum fee for performance of each phase of this contract shall be six percent (6%).

The amount of the fee as set forth in the contract is included solely for funding purposes. The final fee shall be calculated on the Contract Estimated Cost for each phase as set forth above and shall be based upon a determination, to be made within thirty (30) days from the date of completion of each phase of this contract, by the Contracting Officer, as to the quality of performance of the Contractor for the requirements of the contract. The final fee for each phase shall be calculated based upon the performance evaluation as follows:

Adequate -----	6%
Good -----	8%
Excellent -----	11%

A recognition of cost performance as evidenced by final total audited costs as compared to Target Costs stipulated in the Contract shall be made in accordance with the following schedule:

When Costs are Below Target

From Target Cost to 2%	BASE FEE
Over 2% to 4%	
Adequate - Base plus	.75%
Good - Base plus	1.50%
Excellent - Base plus	2.50%

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PAGE 4 OF 5 PAGES

(SCHEDULE)

Over 4% to 6%	Adequate - Base plus	1.00%
	Good - Base plus	1.75%
	Excellent - Base plus	2.75%
Over 6% to 8%	Adequate - Base plus	1.50%
	Good - Base plus	2.00%
	Excellent - Base plus	3.00%
Over 8% to 10%	Adequate - Base plus	2.00%
	Good - Base plus	2.50%
	Excellent - Base plus	3.50%
Over 10% to 12%	Adequate - Base plus	2.50%
	Good - Base plus	3.00%
	Excellent - Base plus	4.00%
Over 12% to 14%	Adequate - Base plus	3.00%
	Good - Base plus	3.50%
	Excellent - Base plus	4.50%
Over 14% to 16%	Adequate - Base plus	3.50%
	Good - Base plus	4.00%
	Excellent - Base plus	5.00%

When Costs are Over Target

From Target Cost to 2%	BASE FEE	
Over 2% to 5%	Adequate - Base minus	1.00%
	Good - Base Fee	
	Excellent - Base plus	1.00%
Over 5% to 10%	Adequate - Base minus	1.50%
	Good - Base minus	1.25%
	Excellent - Base minus	1.00%
Over 10% to 15%	Adequate - Base minus	2.00%
	Good - Base minus	1.50%
	Excellent - Base minus	1.25%
Over 15% to 20%	Adequate - Base minus	2.50%
	Good - Base minus	2.00%
	Excellent - Base minus	1.50%

SECURITY:

The work to be performed hereunder is UNCLASSIFIED.

The association of the sponsor with the reports and equipment being procured

NAME OF CONTRACTOR

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GROUP 1
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(SCHEDULE)

PAGE 5 OF 5 PAGES

hereunder is classified CONFIDENTIAL. This classified information shall be divulged only on a need-to-know basis and then only to those who have been authorized in writing by this Government component to have access to classified information. Correspondence originated by the Contractor and/or data to be submitted hereunder, the contents of which contain classified information, or refer to the name and/or address of the Contracting Officer shall be stamped by you with the classification of CONFIDENTIAL.

NOTICE

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.